

“TERMS AND DEFINITIONS”

ALTERNATE CORPORATE BANK ACCOUNT

Due to the different banking regulations and practices around the world various banking instruments are accepted by some banks and not accepted by others. Depending on the financial instrument finally issued by the buyer to the seller, it may be necessary for the seller to use a bank other than that initially designated to seller to facilitate the transaction.

COST INSURANCE AND FREIGHT (CIF)

The cargo insurance and the delivery of goods to the named port of destination (discharge) is at the seller's expense. Buyer is responsible for the import customs clearance and other costs and risks.

CONFIRMED STAND BY LETTER OF CREDIT

Stand By Letter of Credit where a confirming bank, usually located in the exporters country, has guaranteed payment under the Stand By Letter of Credit assuming that all terms and conditions of the Stand By Letter of Credit have been met. With a confirmed Stand By Letter of Credit, payment risk is assumed by the confirming bank as well as the issuing bank, thereby providing more protection for the exporter.

REVOLVING STAND BY LETTER OF CREDIT

This is the instrument against which the seller is supplying and shipping the goods. The sample text of the RSBLC is contained in the attached “APPENDIX 5” the final text and the name of the establishing bank and if appropriate the name of the bank providing the instrument is reviewed and agreed by the seller.

VALID FOR - THE STAND BY LETTER OF CREDIT

Will be valid for the term listed and will mature (be payable) at the end of this time period. In the case of this the SBLC will be issued for 12 (twelve) month and 38 (thirty eight) days. The SBLC will be provide for drawings to be made after the date of issue of the SBLC, and subsequent payments being made monthly.

SELLER'S CONTRACT NO.:CONTRACT/...

BUYER'S CONTRACT NO. :

CONFIRMING BANK

The bank that, at the request of the issuing bank, adds its confirmation to the Stand By Letter of Credit, in doing so, the confirming bank undertakes to make payments to the exporter upon presentation of documents under the Stand By Letter of Credit, assuming all terms and conditions of the SBLC have been met.

DRAFT CONTRACT

This is the initial contract in which the seller lists all the initial points of understanding and terms and conditions. Any proposed changes that may be desired can be inserted into this document for review by either part. Initialling, signing and sealing the draft contract only denotes that the initial understanding of the terms and conditions and is not considered binding. Once all terms and conditions are agreed to a final sales and purchase contract will be issued.

FINAL SALES AND PURCHASE CONTRACT

This document will be issued upon the buyer and seller's final agreement of the terms and conditions of the draft contract by initialling, signing and sealing this document. Both parties state with full corporate authority, certifies, represent and warrants that each can fulfil the requirements of this agreement and respectively provide the products and the funds referred to herein, in the time and under the terms agreed.

SOCIÉTÉ GÉNÉRALE DE SURVEILLANCE (SGS)

Inspection services/ inspects and verifies the quantity, weight and quality of traded goods. Inspection typically takes place at transshipment.

“WEATHER WORKING DAY (WWD)”, “WEATHER WORKING DAY OF 24 HOURS”,
“WEATHER WORKING DAY OF 24 CONSECUTIVE HOURS”

shall mean a working day of 24 consecutive hours except for any time when weather prevents the loading or discharging of the vessel or would have prevented it, had work been in progress.

SELLER

BUYER

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CONFIDENTIAL

x/xx/2015